

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 322-5475



January 3, 1980

ALL-COUNTY INFORMATION NOTICE I-3-80**TO:** ALL COUNTY WELFARE DIRECTORS**SUBJECT:** FOOD STAMP PROGRAM**REFERENCE:** TRAINING GUIDELINES FOR IMPLEMENTATION OF MEDICAL/SHELTER
DEDUCTIONS FOR SIXTY OR OLDER OR DISABLED FOOD STAMP RECIPIENTS

The following material is provided to assist your county with the implementation of the new medical/shelter deduction regulations on January 1, 1980.

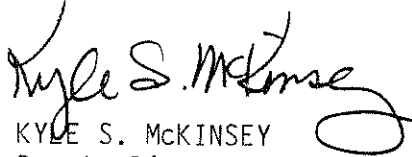
As you know, the medical/shelter deduction stuffers had to be sent to recipients by December 15, 1979. However, medical deduction applications (DFA 285c) are not to be sent to recipients until January 1, 1980, the effective date of the regulations. The regulations provide flexibility for several approaches to implementation. Your county may wish to follow one of the procedures described below or develop procedures suitable for your individual county operations. Please inform your Food Stamp Consultant if you decide to develop alternative procedures.

1. The stuffer may be screened against the case to verify eligibility (i.e., age and/or income from SSA) prior to sending the application (see Attachment 1 for this process). If the screening indicates ineligibility, a notice (DFA 377.3) must be sent to the recipient in accordance with M.S. 63-504.32. If it can be determined by this screening that the household is eligible, the shelter deduction may be computed at that time, but must be computed within 30 days after screening the case.
2. The application may be sent without pulling the case and screening against the stuffer (see Attachment 2 for this procedure). If your county chooses this option, it is suggested that a cover letter be developed to be sent with the application. This cover letter should inform the recipient that although they may not have medical expenses for January, they might be eligible for the shelter deduction and should return the medical application as soon as possible. If the application is returned, the processing time (30 days) would start when the county

receives the application. If the application is not returned, the shelter deduction would be recomputed at the recipient's next recertification/recomputation.

In addition to the two flow charts, a training guide consisting of questions/answers on the allowance of medical expenses is also attached. If you have any questions regarding this material, please contact your Food Stamp Program Operations Analyst at (916) 322-5475.

Sincerely,

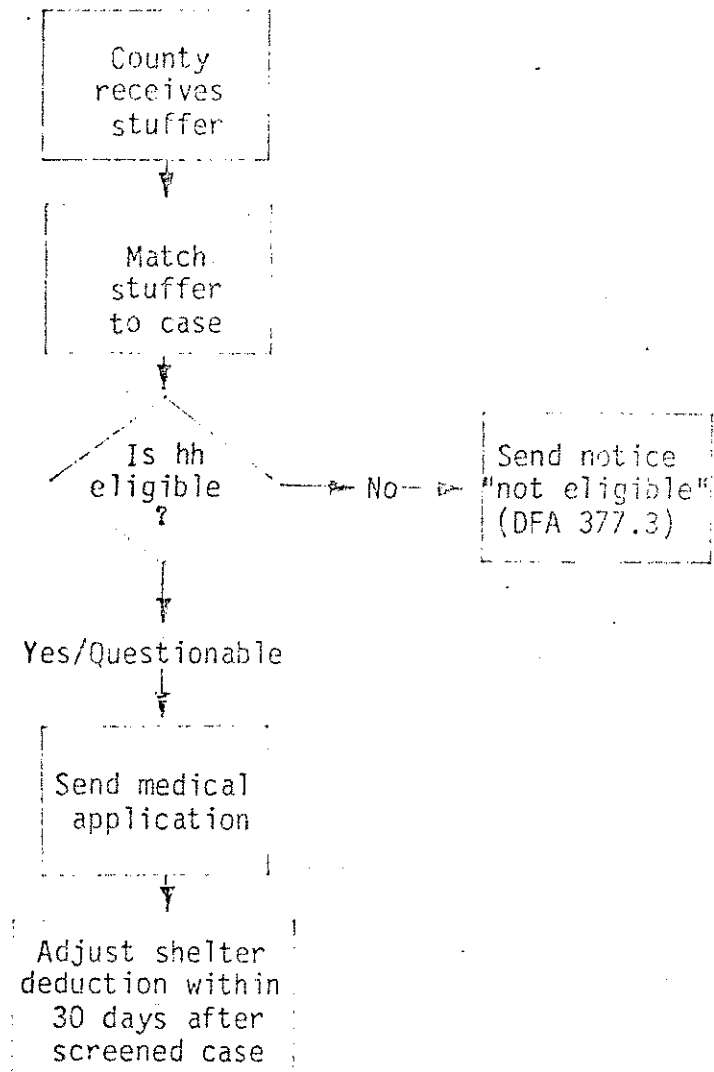

KYLE S. MCKINSEY
Deputy Director

Attachments

cc: CWDA
FNS/WRO

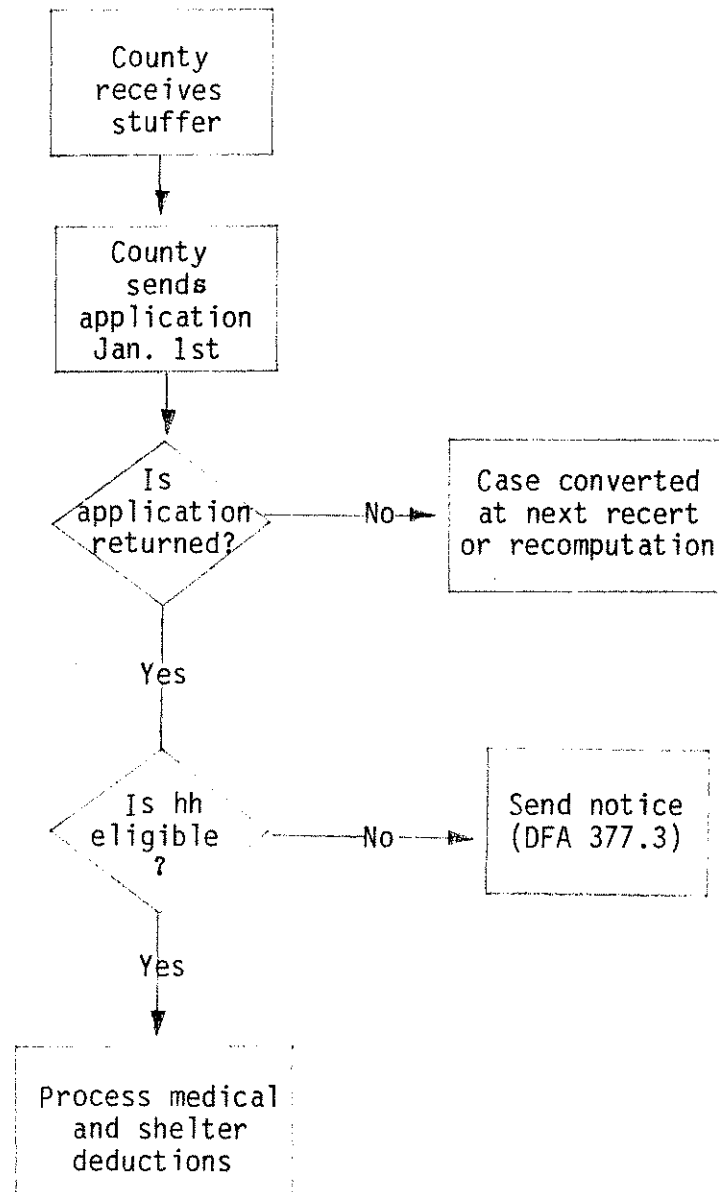
Attachment I

County Elects to Screen Returned Stuffer



Attachment 2

No Prescreening of Stuffer - Application Sent



Attachment 3

Question 1: What is the definition of a medical expense?

Answer: A medical expense is a current liability assessed against a recipient for allowable medical costs. Recipients which have Medi-Cal coverage will have "share-of-cost" or zero medical liabilities if the service is covered by Medi-Cal. It is recommended that in those counties where EWs do not carry both the FS and Medi-Cal companion cases, the county should determine if Medi-Cal coverage exists. Allowable medical costs not covered by Medi-Cal will be considered the recipient's current liability.

Question 2: When is a medical expense allowed?

Answer: A recipient who presents a medical bill in one month will have a future month(s) adjusted to allow for that expense.

Note: Nothing prevents a county from allowing a bill in the current month through a supplemental issuance.

Example:

March 7th recipient reports a \$60 bill for a medical treatment.

The April food stamp budget should include a \$25 medical deduction.

$$(\$60 - \$35 = \$25)$$

This specific medical deduction would then be deleted from the May budget.

Question 3: What are the reporting requirements for medical expenses?

Answer: A recipient must report a change of \$25 or more in medical expenses within 10 days of the date the change becomes known to the household. This is the same as for other reporting requirements. A recipient failure to timely report a change does not alter the CWD's responsibility to act on that reported change within 10 days of the "late" report date. Failure to timely report a change which adversely affects eligibility or benefit level will of course result in an overissuance. Failure to timely report a change which has a positive effect on benefit level only "penalizes" the recipient by possibly delaying the date that change is effective.

Question 4: Since the county will not send applications until January 1, 1980, will December medical expenses be allowed as deductions?

Answer: For implementation purposes, only medical bills due in January will be acceptable. Unless a recipient who had December medical expenses receives a bill with a January due date, no medical deduction is allowed.

Question 5: If the recipient presents a medical bill in the last month of his certification, will it be allowed?

Answer: If the recipient is being recertified, the medical expense should be used for the future month, or future months if averaged, just as if he were continuously certified.

Question 6: When is the \$35 deductible subtracted: before or after averaging a one-time deduction?

Answer: The \$35 deductible is subtracted from each month's expenses. Therefore, when a one-time deduction is averaged the \$35 is subtracted from each month's average.

Example:

A \$500 medical bill averaged over five months means that \$65 is allowed for each month.

$$\frac{\$500}{5} = \$100 \quad \$100 - \$35 = \$65$$

If an additional bill of \$85 is presented in month two the recipient's medical deduction for that month is \$150.

$$\$100 + \$85 = \$185 \quad \$185 - \$35 = \$150$$

Question 7: Does the county have to require the recipient to report current shelter costs in order to get the excess shelter deduction?

Answer: Shelter cost information can come from the case file or the suggested county cover letter could indicate that recipients should report current shelter costs.

Question 8: Under the 30-day processing provision provided for in the implementation schedule for January and February, 1980, when would retroactive benefits be issued?

Answer: No later than the first allotment issued 30 days after the change is reported. However, the change would be effective in accordance with normal 10-day processing requirements. For

example, if a recipient reports medical expenses on January 10, the CWD must process the change by February 9. Since normally the change would have been effective February 1, the March allotment/supplement will include retroactive benefits for February.

January 10th	February 9th	x March
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30 days to process,
with 2/1 effective
date.

Change March benefits;
include February
retroactive benefits
in issuance.

If the recipient reports on January 26, the CWD has until February 25 to process the change. In this case, since February's benefits would not normally have changed, the March issuance will not include any retroactive benefits for February.

January 26th	February 25th	March
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30 days to process,
with 3/1 effective
date.

Change March benefit;
no entitlement to
February retroactive
benefits.

Question 9: When is a medical bill considered "past due"?

Answer: Generally, bills are due upon receipt and payable within a specified time period (i.e., 15, 30 days, etc.). Unless otherwise indicated a bill will be considered "current for 30 days after the billing date". For example, a recipient may receive a bill in January, dated January 10 and due January 25. If the recipient presents the bill on or before the 25th, the bill would be allowed. After the 25th, the bill is considered "past due".

If the recipient and provider establish an agreement whereby the recipient can make monthly payments on a large bill, the bill is allowable if verification of the agreement is provided and the expense has not been previously allowed. If a medical bill is undated, the bill will not be allowed unless the recipient verifies the due date of the bill.

Question 10: If a recipient reports an allowable medical expense and excess shelter costs and/or other deductions place the household at the maximum benefit level, must the county recompute the budget?

Answer: No, the budget is not recomputed, but the CWD must document the reported expense and notify the recipient that their allotment will not change.